

CHAPTER 6

PROCUREMENT

INTRODUCTION

Indiana Code 5-22-2-24 defines procurement as the buying, purchasing, renting, leasing or otherwise acquiring any supplies or services. This includes all functions that pertain to the obtaining of any supply or service, such as description of requirements, selection or solicitation of sources, preparation and award of contracts, and all phases of contract administration.

The Department of Administration's Procurement Division has the authority and responsibility for all procurement under object codes 3, 4, and 5 by any state government entity (with a few exceptions).

This chapter in the Accounting Manual relates the documentation to the state's accounting system.

REQUISITION AND PURCHASE ORDER

According to the Department of Administration's Streamlining Manual, all purchases of \$500 and above (with the exception of QPA's and State Resource purchases) should be initiated by creating a "Special Request" requisition in PeopleSoft eProcurement. This information will electronically copy to the PeopleSoft Request for Quotation (RFQ) used for soliciting bidders, and eventually to the resulting purchase order. Instructions for creating requisitions in PeopleSoft eProcurement is available on the IDOA Procurement Division Webpage at <http://www.in.gov/idoa/services/proctraining>.

If the purchase is within your streamlining delegation, a PeopleSoft purchase order should be created, approved, budget checked, dispatched, and a printed hard copy generated. The PO should then be emailed, faxed, or mailed to the vendor, but actual payment will be made using a claim voucher. Purchases above the agency delegation must be paid for using an encumbered PO. Agencies may create PO's in PeopleSoft, but only IDOA can create an encumbrance. An encumbered purchase order is required for all purchases \$5,000 and above for agencies with the standard purchasing delegation, and \$25,000 and up for agencies with increased delegation of authority.

After receipt of the commodity or service, if paying by claim voucher, attach the vendor's invoice to the claim voucher and voucher abstract and send it directly to the Auditor's office. Do not send the PeopleSoft PO. If paying with an encumbered PO, attach the vendor's invoice to the receiver copy of the PO and forward to the Auditor's office for payment. The receiver copy of the PO must be signed by the personnel responsible for receiving the commodity or service. If only a portion of the commodities or service was received, then a Report of Partial Delivery (SF #12537) would be completed. The amount of the partial should be recorded in the Record of Partial Payments section at the bottom of the blue copy of the PO. This assists you in tracking the balance of the PO. See Chapter 5 for detailed instructions on completing a matched payment of a purchase order and a claim voucher.

CHANGES TO PURCHASE ORDERS

After a monetary change has been approved, the requesting agency will receive the actual change document from the Auditor of State's office. The dollar amount of the change should be compared to what was requested. If it is different, contact the buyer at Procurement Division. The change should also be compared to the Agency Available Funds Activity report to ensure it was properly posted. If there is an error, contact the Auditor's office.

NON-COMPETITIVE PURCHASES UP TO \$500

Procurement Division policy allows purchases less than \$500 to be made without soliciting competition. However, the policy does not supersede internal policies that may exist within your agency regarding dollar limits for non-competitive purchases.

The policy exists to provide agencies the opportunity to purchase from local suppliers in more remote areas, reduce administrative and processing costs for minor purchases, and complete the purchase in a timely manner. It is very important, however, to continue to consider purchasing recycled content products and to include the minority business community whenever it is possible.

The policy also does not exempt agencies from the requirement to purchase items that are available on QPA or through PEN Products and IN-ARF, if their items will meet the user's needs. Items available from these sources must be purchased from these sources unless proper justification is provided.

Purchases of more than \$500, but less than \$25,000, should be made using the streamlining policies and procedures. With special delegation from the Procurement Division, the streamlining policies and procedures may be used for purchases up to \$75,000.

PROCUREMENT STREAMLINING PROGRAM

The Procurement Streamlining Program provides agencies the delegated authority to procure goods and services costing \$500 to \$75,000. This is effective for an agency upon the approval of the agency's purchasing plan and completion of a training program. The process will delegate authority for all purchasing activity less than \$25,000, and with special approval up to \$75,000. The special approval is not automatic even if you are already approved for streamlining. The payment method for a purchase within your delegation authority is by claim voucher. Purchases above the delegation authority are by purchase order through the Department of Administration. Certain exemptions apply.

Agencies are responsible for complying with all requirements established by the Department of Administration relative to this program. Agencies are subject to periodic assessments by Procurement Division staff and audits by the State Board of Accounts.

Contact the Department of Administration's Procurement Division with any questions regarding the Procurement Streamlining Program.

OTHER AGENCY APPROVALS

Any procurement requiring another agency's approval will be automatically routed to that agency for approval through PeopleSoft.